



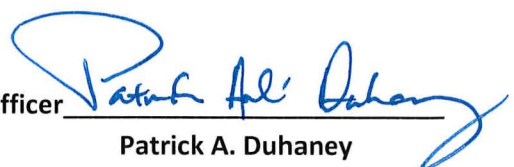
# Multiple-Award Contracting Policy

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City Manager

  
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# **Multiple-Award Contracting Policy**

## **A. Introduction**

A multiple-award contract (MAC) is a type of indefinite-quantity or indefinite-scope contract which is awarded to several contractors from a single solicitation. Specific delivery of supplies, or contractual services, is then made via an individual delivery/task/work order placed with one of the contractors pursuant to procedures established in the contract.

In order for the City to take continuous advantage of the benefits of competition after contract award, the Chief Procurement Officer may make multiple awards of task, work, and delivery order contracts for the same or similar supplies or services to two or more firms from a single solicitation. The use of MACs allows departments to take continuous advantage of the competitive forces of the commercial marketplace which results in lower prices, better quality, reduced time from identification of need to award, and improved contractor performance in satisfying requirements.

## **B. Purpose**

The purpose of this policy is to ensure that each awardee under a MAC is given a fair opportunity to be considered for each task/work/delivery order issued during the life of the contract.

## **C. Scope**

This policy applies to the purchase of all supplies, services, construction, and professional services ordered under MACs determined by the Chief Procurement Officer to be subject to the policy herein.

All procurements subject to the policy herein will include this policy by reference in all procurement documents (e.g., Invitation to Bids, Request for Proposals, etc.) to ensure prospective contractors are given notice of the procedures that will govern how orders will be issued against the MAC.

## **D. Responsibility**

The Chief Procurement Officer is charged with oversight of MACs and is responsible for establishing ordering procedures that afford each contractor a fair opportunity to compete for orders issued against MACs.

## **E. Fair Opportunity Procedures**

Each awardee under a MAC has already gone through the initial procurement process prior to being assigned to the contract. The following procedures will be taken to ensure

that all awardees under MACs are given a fair opportunity to be considered for each task/work/delivery order awarded.

**a. Supplies and Services MACs**

**i. Orders less than or equal to \$5,000**

At this level orders may be assigned to awardees under a MAC via an equitable rotation basis. Once a firm receives an order for a supply or service, they will rotate to the bottom of the list and not be eligible to receive another order for supply or services until all other awardees under the MAC have been issued at least one order. The rotation process will start over once all awardees under the MAC have received at least one order.

If a contractor under the MAC refuses an order, the City Purchasing buyer in charge of the rotation list will document the contractor's refusal and the contractor will lose its turn and move to the end of the list. The order will be sent to the next contractor on the rotation list.

The Chief Procurement Officer may, when it appears to be in the best interest of the City, based on cost, terms of delivery, or other factors, bypass the aforementioned prescribed rotation procedures and solicit quotes or proposals from each awardee under a MAC for a particular order.

**ii. Orders excess of \$5,000 but not greater than \$50,000**

If more than three firms have received awards under the MAC, quotes or proposals will be solicited from three awardees under the MAC based on rotation. The initial list will be determined by lot. The contractor that successfully receives the order will move to the end of the list, and the list will be adjusted accordingly. The request for quotes or a proposal for an order issued against the MAC will be sent to the next top three firms on the list.

If a contractor under the MAC refuses to submit a quote or proposal, the City Purchasing buyer in charge of the rotation list will document the contractor's refusal and the contractor will lose its turn and move to the end of the list. The request for quotes or a proposal may be sent to the next contractor on the rotation list to obtain three bids.

If there are three firms or less, quotes or proposals will be solicited from all awardees under the MAC for a particular order.

The Chief Procurement Officer may, when it appears to be in the best interest of the City, based on cost, terms of delivery, or other factors, bypass the aforementioned prescribed rotation procedures and solicit quotes or proposals from each awardee under a MAC for a particular order.

**iii. Orders in excess of \$50,000**

Quotes or proposals will be solicited from all awardees under the MAC for every order issued against the MAC in excess of \$50,000.

**b. As-Needed minor construction and/or minor repairs MACs**

**i. Orders less than or equal to \$5,000**

At this level orders may be assigned to awardees under a MAC via an equitable rotation basis. Once a firm receives an order for minor construction or minor repairs, they will rotate to the bottom of the list and not be eligible to receive another order for construction or repairs until all other awardees under the MAC have been issued at least one order. The rotation process will start over once all awardees under the MAC has received at least one order.

If a contractor under the MAC refuses an order, the City Purchasing buyer in charge of the rotation list will document the contractor's refusal and the contractor will lose its turn and move to the end of the list. The order will be sent to the next contractor on the rotation list.

The Chief Procurement Officer may, when it appears to be in the best interest of the City, based on cost, terms of delivery, or other factors, bypass the aforementioned prescribed rotation procedures and solicit quotes or proposals from each awardee under a MAC for a particular order.

**ii. Orders excess of \$5,000 but not greater than \$50,000**

If more than three firms have received awards under the MAC, quotes or proposals will be solicited from three awardees under the MAC based on rotation. The initial list will be determined by lot.

The City will award the order to the firm that submits the lowest and best bid. The contractor that successfully receives the order will move to the end of the list, and the list will be adjusted accordingly. The request for quotes or a proposal for an order issued against the MAC will be sent to the next top three firms on the list.

If a contractor under the MAC refuses to submit a quote or proposal, the City Purchasing buyer in charge of the rotation list will document the contractor's refusal and the contractor will lose its turn and move to the end of the list. The request for quotes or a proposal may be sent to the next contractor on the rotation list to obtain three bids.

If there are three firms or less, quotes or proposals will be solicited from all awardees under the MAC for a particular order.

The Chief Procurement Officer may, when it appears to be in the best interest of the City, based on cost, terms of delivery, or other factors, bypass the aforementioned prescribed rotation procedures and solicit quotes or proposals from each awardee under a MAC for a particular order.

### **iii. Orders in excess of \$50,000 but not greater than \$500,000**

Quotes or proposals will be solicited from all awardees under the MAC for every order issued against the MAC in excess of \$50,000 but not greater than \$500,000. The City will award the order to the firm that submits the lowest and best bid.

Prior to requesting quotes or proposals for any order in which the total cost is estimated to be \$50,000 or more, the department needing the services must submit either a Goal Information Sheet or a Waiver Request to the Department of Economic Inclusion (DEI) for a M/WBE participation goal determination. M/WBE subcontracting goals are calculated based on an availability analysis based on the ratio of certified M/WBE firms to total available firms.

In the event that DEI determines that M/WBE subcontracting goals will not apply to a order, a SBE subcontracting goal of 30% will apply on projects estimated at \$100,000 or more, unless waived or reduced. All M/WBE or SBE Waiver Requests shall be reviewed by the Director of DEI and submitted to the City Manager for approval.

Award of the order will be subject to the rules and guidelines of the SBE or M/WBE program, whichever applies to the order, unless waived.

All orders for construction or repairs in excess of \$50,000 are subject to the City Manager's review and approval process as outlined in Administrative Regulation #62.

**iv. Orders in excess of \$500,000**

Only under exceptional circumstances, as determined by the Chief Procurement Officer, will orders in excess of \$500,000 be issued against MACs for construction or repairs.

In the event that the Chief Procurement Officer authorizes the issuance of an order in excess of \$500,000, it will be subject to the same procedures and approvals that govern the orders in excess of \$50,000 but not greater than \$500,000 section above.

**v. Notice to Proceed**

The City will issue a Notice to Proceed after a contractor has been selected to perform the order in question. No work is to be performed by a contractor without receipt of a Notice to Proceed, which is signed and issued by the department project manager.

**c. As-Needed Professional Services MACs**

**i. Orders less than or equal to \$5,000**

At this level orders may be assigned to awardees under a MAC via an equitable rotation basis. Once a firm receives an order for professional services (e.g., architectural or engineering services, IT services, consulting services, etc.), they will rotate to the bottom of the list and not be eligible to receive another order for professional services until all other awardees under the MAC have been issued at least one order. The rotation process will start over once all awardees under the MAC have received at least one order.

If a contractor under the MAC refuses an order, the City Purchasing buyer in charge of the rotation list will document the contractor's refusal and the contractor will lose its turn and move to the end of the list. The order will be sent to the next contractor on the rotation list.

The Chief Procurement Officer may, when it appears to be in the best interest of the City, based on cost, terms of delivery, or other factors, bypass the aforementioned prescribed rotation procedures and solicit quotes or proposals from each awardee under a MAC for a particular order.

The City Manager shall execute orders, regardless of dollar amount, issued under MACs for professional services.

**ii. Orders excess of \$5,000 but not greater than \$50,000**

If more than three firms have received awards under the MAC, quotes or proposals will be solicited from three awardees under the MAC based on rotation. The initial list will be determined by lot. The contractor that successfully receives the order will move to the end of the list, and the list will be adjusted accordingly. The request for quotes or a proposal for an order issued against the MAC will be sent to the next top three firms on the list.

If a contractor under the MAC refuses to submit a quote or proposal, the City Purchasing buyer in charge of the rotation list will document the contractor's refusal and the contractor will lose its turn and move to the end of the list. The request for quotes or a proposal may be sent to the next contractor on the rotation list to obtain three bids.

If there are three firms or less, quotes or proposals will be solicited from all awardees under the MAC for a particular order.

The Chief Procurement Officer may, when it appears to be in the best interest of the City, based on cost, qualifications, or other factors, bypass the aforementioned prescribed rotation procedures and solicit quotes or proposals from each awardee under a MAC for a particular order.

The City Manager shall execute orders, regardless of dollar amount, issued under MACs for professional services. In addition, the orders shall be signed by at a minimum, the Department Director, and the Chief Procurement Officer.

**iii. Orders in excess of \$50,000 but not greater than \$500,000**

Proposals will be solicited from all awardees under the MAC for every order issued against the MAC in excess of \$50,000 but not greater than \$500,000.

The proposals submitted by the awardees under the MAC for this dollar threshold shall be reviewed by an evaluation committee composed of a minimum of three individuals who are stakeholders in the final product or service, and/or individuals who have the necessary technical or program expertise.

The evaluation committee will rank Offerors by most advantageous or most qualified depending on the award criteria. The City may choose



to enter negotiations with more than one firm or it may choose to start negotiations with the top ranked firm that submits the most advantageous offer or is deemed most qualified in terms of response to the order and work its way down the list should negotiations falter with the top-ranked firm. The evaluation committee will prepare an award recommendation. The award recommendation shall be reviewed by the Chief Procurement Officer and submitted to the City Manager for approval.

Prior to requesting proposals for any order in which the total cost is estimated to be \$50,000 or more, the department needing the services must submit either a Goal Information Sheet or a Waiver Request to the Department of Economic Inclusion (DEI) for a M/WBE participation goal determination. M/WBE subcontracting goals are calculated based on an availability analysis based on the ratio of certified M/WBE firms to total available firms.

In the event that DEI determines that M/WBE subcontracting goals will not apply to an order, a SBE subcontracting goal of 15% will apply on orders estimated at \$100,000 or more, unless waived or reduced. All M/WBE or SBE Waiver Requests shall be reviewed by the Director of DEI and submitted to the City Manager for approval.

Award of the order will be subject to the rules and guidelines of the SBE or M/WBE program, whichever applies to the order, unless waived.

All orders for professional services in excess of \$50,000 are subject to the City Manager's review and approval process as outlined in Administrative Regulation #62.

The City Manager shall execute orders, regardless of dollar amount, issued under MACs for professional services.

#### **iv. Orders in excess of \$500,000**

Only under exceptional circumstances, as determined by the Chief Procurement Officer, will orders in excess of \$500,000 be issued against MACs for professional services.

In the event that the Chief Procurement Officer authorizes the issuance of an order in excess of \$500,000, it will be subject to the same

procedures and approvals that govern the orders in excess of \$50,000 but not greater than \$500,000 section above.

**v. Notice to Proceed**

The City will issue a Notice to Proceed after a contractor has been selected to perform the order in question. No work is to be performed by a contractor without receipt of a Notice to Proceed, which is signed and issued by the department project manager.

**F. Guidelines for Soliciting Quotes or Proposals from Awardees Under MACs**

Consider the following when preparing a request for awardees under MACs to submit a quote or proposal:

- i. Solicitation clearly and accurately describes all services to be performed or items to be provided;
- ii. The description is not designed to limit competitive solicitation from multiple vendors;
- iii. Keep contractor submission requirements to a minimum;
- iv. Potential impact of the order with respect to contractor spend limits;
- v. The amount of time contractors will need to respond to the request for a quote or proposal;
- vi. Basis for selection of an awardee for the order (e.g., lowest cost, rotation, most advantageous, most qualified, etc.); and
- vii. The need for pre-submission meeting.

**G. Contract Spend Limits**

All firms issued a contract under a MAC shall have a not to exceed contract spend limit. The contract spend limit may be increased if determined to be in the best interests of the City. Any awardee under a MAC is prohibited from receiving new orders:

- i. If the new order may cause them to exceed the contract spend limit; or
- ii. If they are at the maximum of their contract spend limit.

## **H. Withdrawn Orders on Rotation List**

As it pertains to a rotation list, if a firm under a MAC has an order withdrawn through no fault of their own, the firm will be next in line to receive an assignment. If the order that was withdrawn materializes at a later date, it will be treated as a new assignment and will be assigned to the next firm in the rotation order. The firm originally receiving the assignment is not entitled to receive the assignment, unless the firm is next on the rotation list.

## **I. Exceptions to this Policy**

The exceptions to the processes outlined herein are as follows:

- i.** The department need for the supplies or services meets the emergency purchases requirements outlined in Administrative Regulation #34.
- ii.** Only one awardee is capable of providing the supplies or services in accordance with Cincinnati Municipal Code (CMC) 321-85, 321-86, or 321-87.
- iii.** Legislation expressly authorizes or requires that the purchase be made from a specified source.
- iv.** The department receives a written waiver from the Chief Procurement Officer for a transaction at or below \$50,000 or from the City Manager for a transaction in excess of \$50,000 to bypass the process outlined herein.